DQW Holdings, LLC
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McLean, Va 22102

July 27, 2020

Mr. Jason DeWitt
Office of Regulations and Interpretations
Employee Benefits Security Administration
U.S. Department of Labor
200 Constitution Avenue, NW
Washington, D.C. 20210

Re: RIN 1210-AB95 Financial Factors in Selecting Plan Investments

Dear Mr. DeWitt:

Thank you for this opportunity to offer my support for the Department of Labor's Proposed Rule regarding ESG investing and the pension plans that it oversees under ERISA. Additional oversight from the Department's Employee Benefits Security Administration will help ensure that the savings of pension plan participants are being protected, not sacrificed for social or political ideology.

During these trying times for our country, it is essential that pension plans remain focused on maximizing retiree accounts with a laser focus on pecuniary factors. It will come as no surprise that activists, bent on promoting non-financial goals, have targeted pension fund managers. They are asking these managers to incorporate environmental, social, and governance goals into their investment strategies. There is a robust body of research, however, that shows ESG funds underperform standard index funds. This underperformance represents a hard break from a pension plan fiduciary's responsibility.

Dr. Wayne Winegarden, senior fellow at the Pacific Research Institute, has in fact detailed this dynamic. In a study he conducted last year, *Environmental, Social, and Governance (ESG) Investing: An Evaluation of the Evidence*, he found that, "Of the 18 ESG funds examined that had a full 10-year track record, a $10,000 ESG portfolio (equally divided across the funds including the impact from management fees) would be 43.9 percent smaller after 10-years compared to a $10,000 investment into an S&P 500 index fund."

As North America's Building Trade Unions (NABTU) stated when your Department released earlier guidance on ESG investing, "Importantly, (the guidance) notes that investments that generate real economic returns, such as infrastructure and real estate, are properly considered by prudent fiduciaries for their impact on the economic interests of the plan, its participants and beneficiaries." Echoing this sentiment, I hope that your Department finalizes this Proposed Rule.

I appreciate the Department of Labor's comprehensive effort on this important issue.

Sincerely,

Delbert Q. Wilber
President
DQW Holdings, LLC